



STATE OF SOUTH CAROLINA DEPARTMENT OF EDUCATION

Mick Zais
Superintendent

1429 Senate Street
Columbia, South Carolina 29201

MEMORANDUM

TO: District Superintendents
District Transportation Supervisors
School Business Officials

FROM: Tim Camp, Director
Office of Transportation

DATE: August 11, 2014

RE: FY 2014-2015 School Bus/Boat Per Mile Permit Rate \$1.51/Mile Effective August 1, 2014

Please review this memorandum for planning purposes. Should a legislative change occur which would affect the following information, we will notify you as soon as possible. The School Bus/Boat Per Mile Permit Rate (base rate) for FY 2014-2015 will be \$1.51; this base rate is calculated on school bus transportation costs incurred by the South Carolina Department of Education (SCDE) during FY 2012-2013. The base rate will be subject to a Quarterly Fuel Cost Adjustment, and the adjusted rate will be the base rate for all charges on permitted mileage incurred starting August 1, 2014.

The School Bus/Boat Per Mile Permit Rate calculation methodology was adopted by the South Carolina Board of Education (SCBE) on May 11, 2005. This methodology establishes an annual school bus/boat per mile permit rate (base rate) that takes effect on July 1. In August 2008, the SCBE supplemented this base rate by establishing a Quarterly Fuel Cost Adjustment methodology that, depending on the cost of fuel in the prior quarter, may impact the per mile permit rate charged for each quarter.

The School Bus/Boat Per Mile Permit Rate and Quarterly Fuel Cost Adjustment methodologies are based on the following state regulation that requires the SCDE to charge for the use of state school buses when they are used for a non-state funded service.

43-80-T. Special Transportation Service

1. When state-owned buses or boats are used by the schools for educational purposes other than transporting pupils to and from school, the cost of operation shall be borne by the school district. The operator shall be paid by the local school district. In addition, a charge for the use of the bus or boat (use fees) as determined by the State Department of Education and approved by the State Board of Education, payable to the State Department of Education, shall be made. The school district Board of Trustees will

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be responsible for damages to the bus or boat as a result of abuse. The bus or boat use fees are applicable to all trips other than the regularly scheduled trips or trip segments to and from school as shown on the approved route description for the school district.

The School Bus/Boat Per Mile Permit Rate (base rate) methodology approved by the SCBE is presented as follows.

The South Carolina Department of Education (SCDE) is directed to annually use the following methodology to compute the SCDE Per Mile Permit Rate for the non-state funded use of SCDE school buses and boat.

The Per Mile Permit Rate calculation shall include the following:

Total Fiscal Year Office of Transportation Expenditures (non-capital)

Annual Depreciation Cost of the School Transportation Equipment

Annual Depreciation Cost of the School Transportation Maintenance

Facilities (The SCDE Office of Internal Auditing will determine the most appropriate method for calculating equipment and facility depreciation.)

Total Fiscal Year school bus odometer mileage data

The Per Mile Permit Rate will be determined by dividing each of the above fiscal year expenditures/costs by the total most recent previous fiscal year school bus odometer miles. Each category's Per Mile Permit Rate will be totaled to establish the total SCDE Per Mile Permit Rate.

The following information is offered as a cumulative record of the most recent base permit rate and fuel adjustment permit rate changes. Quarterly fuel adjustments are applied when the previous calendar quarter's average fuel cost per mile changes requires the applicable per mile permit rate to change by more than five cents. For planning purposes, please note that the increase in fuel costs during the current calendar quarter makes it likely that there will be an upward fuel cost permit rate adjustment on August 1, 2014, above \$1.51 per mile permit rate.

| Period | Rate | Permit Rate Adjustment |
|---|---------------|------------------------|
| FY 2012-2013 Base Rate | \$1.42 | |
| FY 2013-2014 Base Rate | 1.48 | |
| Quarterly Fuel Cost Adjustments 2013-2014 | | |
| Feb. 1, 2014-April 30, 2014 | 1.83 | \$-0.0197 |
| May 1, 2014-July 31, 2014 | 1.83 | \$-0.0043 |
| Aug. 1, 2014-Oct. 31, 2014 | 1.86 | \$-0.0336 |
| FY 2014-2015 Base Rate | \$1.51 | |

TC/bc